

Warsaw, August 12, 1999

Ms. Irena Glowaczewska
Undersecretary of State
Ministry of Health and Social Security
Warsaw

Dear Minister Glowaczewska,

The National Tobacco Industry Association would like to thank you for the invitation to discuss the draft of the ordinance changing *the ordinance of the Minister of Health and Social Security dated December 5, 1996 regarding the content, specification and manner of placement of signs warning against the hazards of tobacco consumption as well as the information on the content of tar and nicotine, as well as regarding the permitted amount of noxious substances in tobacco products and the mode of establishing of their content*, and present our comments below.

The proposed change, accelerating the entry into force of standards for tar and nicotine content, would decisively shorten the period of reaching content of these substances, compared to the ordinance dated December 5, 1996. The permitted levels and dates set forth in the ordinance have been negotiated based on realistic capabilities in terms of new tobacco variety planting and the technology of tobacco product manufacturing.

The manufacturers of these products, based on the binding ordinance, prepared and began to implement plans to change blends (mixtures), aiming to gradually decrease the content of tar and nicotine. These plans are closely combined with significant investments in improvement of tobacco quality and change of this crop structure. Additionally, the majority of manufacturers are stockpiling tobacco, even for a manufacturing period of up to two years, in order to secure the stability of their blends.

We would like to stress, in reference to the above, that the significant, three-year acceleration of the introduction of the new standards could disorganize the operations of many manufacturers, have a negative influence on utilization of Polish tobacco, and disturb the legal tobacco products market. We are therefore against the introduction of drastic modifications to the original timetable.

We would also like to indicate that it is not true, that EU countries manufacture only cigarettes of a tar content below 12mg. Article 2.3 of Directive 90/269/EEC, quoted in the draft ordinance justification, states that in the case of the Republic of Greece, the obligation to introduce a ban on the manufacture and marketing of cigarettes of tar content above 12mg begins on December 31, 2006.

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It should additionally be noted that the directive has given all states the opportunity to introduce a transitory period (18 months as of the day of entry into force), to adapt their internal regulations. It also allows for the marketing of product not fulfilling the requirements specified therein over a period of 2 years as of date of introduction of each amendment. It is therefore difficult to agree with the presented draft, which postulates a change of the current regulations without any transitory period.

We would also like to stress that we do not see any reason why Poland should reduce the maximum delivery level to 10 mg in July 2004, i.e. not only below the maximum level currently defined by the EU directives, but also considerably lower than the EU market realities. (At present, there are over 1,200 brands in the EU market with tar yields in excess of 10 mg., representing 65% of the market.) As Poland is looking forward to joining the EU by that time, we strongly believe that such a reduction would discriminate domestic products vis a vis products coming from other EU markets. Such discrimination would not only have negative effects for the local industry but it will also hamper the future development of tobacco growing in Poland.

For the reasons highlighted above, we believe that in the case of the amendment of the ordinance dated December 5, 1996 it would be necessary, from the point of view of market stability and budget revenue, to introduce a two-year transitory period that would allow for the adaptation of technological processes to the required level of tar and nicotine without negative influence for Polish planters and tobacco manufacturers. Furthermore, we are strongly opposed to the concept of a new permitted level of tar (10 mg) discriminating against Polish producers.

Sincerely yours,

Cc:
Artur Balazs - Minister of Agriculture

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